

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 444
Sacramento, CA

Minutes of Meeting

August 25, 2005

COMMISSIONERS PRESENT

Marco Firebaugh
Diane M. Griffiths
Teresa P. Hughes
Lynn Schenk
Cathie Bennett Warner

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Enid Barnes
Theresa Bueno
Paul Cerles
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Carol Tate
Karen Thalhammer

COMMISSIONERS ABSENT

Vicki Marti
Nancy E. McFadden, Chair

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Neptaly Aguilera, Department of Health Services

I. Call to Order

The August 25, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Cathie Bennett Warner. A quorum was present.

II. Approval of Minutes

The August 11, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger informed the Commission that Sunni Burns was unable to attend today's Commission meeting due to meetings being held at the Governor's office regarding the new 1115 waiver. He indicated that Neptaly Aguilera is representing DHS in Ms. Burns' absence.

Mr. Berger indicated that Downey Regional Medical Center has requested to appear before the Commission in closed session at the September 8, 2005 Commission meeting. Mr. Berger recommended that the Commissioners approve the request. The Commissioners concurred with Mr. Berger's request.

Mr. Berger informed the Commissioners that there are seven amendments for action during today's closed session as well as some updates and strategic discussions on current negotiations.

Mr. Berger informed the Commission that the State's Selective Provider Contracting Program (SPCP) waiver extension expires at the end of August 2005. He indicated that the new 1115 demonstration waiver that was agreed to in concept back in June will commence September 1, 2005. The special terms and conditions of the waiver have been finalized and agreed to by the State and Centers for Medicare & Medicaid Services (CMS). The State is awaiting a formal letter from CMS as well as a document that reference the terms and conditions that will provide a more specific description of Certificated Public Expenditure (CPE) and how they are determined. The next step in this process is to develop and pass state legislation implementing the new 1115 waiver. Key issues are the CPE's, hold harmless for hospitals and the allocations methodologies, how these key issues are defined and how they will be administered has been the subject of much discussion. Other issues for discussion are links between the hospital waiver and managed care expansion in the Medi-Cal program. How the two interact and the \$180 million a year that is tied to managed care implementation.

In response to inquiries from the Commissioners, Mr. Berger indicated that the new 1115 waiver makes a significant change to the way a number of hospitals are paid; under CPE means they certify expenditures that they make to provide care to Medi-Cal beneficiaries, disproportionate share (DSH), or the safety care pool funds.

Mr. Berger further went on to explain key issues regarding the public and private hospitals, how the CPE's are being defined, the expectation from the administration, the change in the DSH program which has been in place since the early 1990's, the Upper Payment Limit (UPL) for the private hospitals, the allocation

under DSH to be used for the public hospitals, the safety net care pool, the concern the public hospitals have regarding seniors, blind and disabled persons moving into managed care.

In response to Commissioner Firebaugh's inquiry regarding undocumented immigrant care, Mr. Berger indicated that his understanding is that funds from the DSH program can be used for undocumented immigrant care, as funds from the safety net care pool cannot be used for their care.

IV. Medi-Cal Managed Care Activities

Mr. Berger reported that there was a Legislative joint informational hearing last Tuesday, August 16. The Senate and Assembly Health Committees and budget subcommittees met to hear testimonies from a wide range of advocates, providers and state representatives regarding the proposed expansion of Medi-Cal Managed Care.

Mr. Berger indicated that from his prospective there was a lot of concern about the readiness of plans to be able to handle a large influx of disabled and senior medical beneficiaries. Mr. Berger further indicated that there has been a lot of preparation in assuring that the necessary process and standards are going to be in place.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Commissioner Cathie Bennett Warner recessed the open session. Commissioner Bennett Warner opened the closed session, and after closed session items were addressed, the Commission went into executive closed session. After the executive items were addressed, the closed session was adjourned and the Commission reconvened in open session. Commissioner Bennett Warner announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.